

**IT IS THE VENDOR'S RESPONSIBILITY TO CHECK
FOR ADDENDUMS PRIOR TO SUBMITTING PROPOSALS**

**REQUEST FOR PROPOSALS
SPECIFICATIONS NO. 07-233**

The City of Lincoln/Lancaster County intend to enter into a contract and invite you to submit a sealed proposal for:

**EMPLOYEE FLEXIBLE SPENDING BENEFIT PLAN (SECTION 125)
QUALIFIED PARKING PLAN (SECTION 132), and
VOLUNTARY BENEFITS**

MEETING OR EXCEEDING THE CITY OF LINCOLN AND LANCASTER COUNTY'S
SPECIFICATIONS

Seven (7) sealed proposals should be sent to the Purchasing Agent, on or before 12:00 noon on **Wednesday, August 1, 2007** in the office of the Purchasing Agent, 440 South 8th Street, Room 200, K Street Complex, Lincoln, Nebraska 68508. Proposals will be publicly opened, reading only the names, in the Purchasing Conference Room.

Submitters should take caution if U.S. Mail, or if mail delivery services are used for the submission of proposals. Mailing should be made in sufficient time for proposals to arrive in Purchasing, prior to the date specified above.

**SPECIFICATIONS
FOR
EMPLOYEE FLEXIBLE SPENDING BENEFIT PLAN (SECTION 125),
QUALIFIED PARKING PLAN (SECTION 132), and
VOLUNTARY BENEFITS**

1 GENERAL INFORMATION

- 1.1 The City of Lincoln and the County of Lancaster, Nebraska, are requesting proposals for providing an EMPLOYEE FLEXIBLE SPENDING BENEFIT PLAN (SECTION 125), QUALIFIED PARKING PLAN (SECTION 132), and VOLUNTARY BENEFITS, to include personal injury, personal cancer/heart or critical injury and short term disability coverages.
- 1.2 Proposals may address all or part of the above benefits.
- 1.3 The attached information summarizes the minimum specifications for the desired services and materials to be included in the proposal.
- 1.4 Sealed proposals will be accepted until 12:00 noon on August 1, 2007. Proposals should be addressed to:
 - Vince Mejer, Purchasing Agent
 - City of Lincoln/Lancaster County
 - 440 South 8th Street, Suite 200, K Street Complex
 - Lincoln, NE 68508
- 1.5 Those submitting sealed proposals should indicate on the outside of the envelope in the lower left-hand corner that it is a sealed proposal for the Request for Proposal (RFP) indicated above.
 - 1.5.1 The name of the firm submitting the proposal should also be included on the outside of the envelope. Submit seven (7) copies of the proposal.
- 1.6 Questions and/or information regarding this Request for Proposal must be put in writing to Vince M. Mejer, Purchasing agent, vmejer@lincoln.ne.gov

2 CONDITIONS

- 2.1 Proposals must be received prior to the RFP closing date and be contained in a sealed envelope marked "Employee Flexible Spending Benefit Plan (Section 125), a City only Qualified Parking Plan (Section 132), and Voluntary Benefits" for consideration.
- 2.2 RFPs will NOT be accepted after the date and time of closing under any circumstances.
- 2.3 No facsimile RFPs will be accepted.
- 2.4 No adjustments to an original RFP can be received after the closing date.
- 2.5 Data and documentation included in the RFP becomes the property of the City of Lincoln and Lancaster County.
- 2.6 This proposal and clarifications must be signed by an officer of the company that is submitting the proposal and "certifying that all information presented herein is accurate and complete and procurement and installation can begin upon the City's request".
 - 2.6.1 The proposal must be accompanied by a transmittal letter on the contractor's official letterhead and signed by an authorized official of the proposal firm.
- 2.7 The proposal must be submitted on standard 8 ½ x 11 paper.
- 2.8 The City reserves the right to reject any and all proposals.
 - 2.8.1 All proposals must meet the requirements as shown, with alternate proposals considered.
- 2.9 Seven (7) copies of the RFP must be submitted to allow for evaluation.

- 2.10 Said inquiries must be submitted in writing and received by July 18, 2007.
- 2.10.1 No telephone inquiries will be accepted.

3 ELIGIBILITY REQUIREMENTS

- 3.1 Your company must meet the following requirements in order for your proposal to be considered:
- 3.2 Have been licensed for one (1) year or more in the State of Nebraska, or in another state, to provide an employee flexible benefit plan.
- 3.3 Have five (5) or more years experience in providing and administering an employee flexible benefit plan.

4 RATE GUARANTEE PERIOD

- 4.1 This Contract will be awarded for a period of one (1) year for the City of Lincoln with an option to renew for two (2) additional, one (1) year terms, effective November 1, 2007.
- 4.2 This Contract will be awarded for a period of three (3) years for Lancaster County, effective January 1, 2008.
- 4.3 The contract with your company must indicate that the rates are guaranteed for the entire period indicated above and that no other charges will be considered or required during this period of time unless specified separately as a part of your proposal.
 - 4.3.1 If alternate methods are presented, in lieu of specified rates, such methods must remain in effect for the entire specified time period unless both parties agree to modify said method.
- 4.4 The City/County reserves the right to negotiate a final contract with any or all respondents, based solely on the exercise of the City/County discretion and judgement.
 - 4.4.1 The City and County also reserve the right to rebid proposals or to contract separately with different proposers.
- 4.5 Any proposer entering into a contract pursuant to this RFP must be qualified and licensed to engage in the business required by the contract under the laws of the State of Nebraska and comply with any and all federal, state and local laws and regulations necessary to the initiation of the proposal.

5 PROPOSAL SUBMISSION

- 5.1 All proposals must be mailed or delivered to Vince Mejer, Purchasing Agent, City of Lincoln/Lancaster County, 440 South 8th Street, Suite 200, K Street Complex, Lincoln, NE 68508, **no later than** 12:00 noon on August 1, 2007.
 - 5.1.1 Failure to have the proposal arrive by the designated deadline will cause the proposal to be disqualified.
- 5.2 The proposal to administer the employee benefit plans (Sections 125, 132 and voluntary benefits) shall be expressed either as a monetary figure based on a monthly rate per participant, or some other consideration, being specific as to what that other consideration would need to be and what role the City of Lincoln and Lancaster County would need to perform and/or provide.
- 5.3 To administer the employee flexible benefit plan the company shall provide initial and ongoing communication material including customized brochures and enrollment forms, summary plan description, initial and periodic group or individual employee information programs; initial and ongoing filings with any required governmental agency; coordination with City/County divisions and/or departments in order to administer the program; provide non-discrimination testing if needed; provide on-

- going customer service to answer employee questions and appropriate payments, etc.
- 5.4 These rates or other consideration will be based on the following accounts being provided under the employee flexible benefit plan:
- 5.4.1 Medical Care Reimbursement Account (qualified out-of-pocket medical and dental expenses). (Current maximum limit for City/County \$5000/yr.);
 - 5.4.2 Dependent Care Reimbursement Account. (Current maximum limit for City/County \$5000/yr.);
 - 5.4.3 City only Qualified Parking (Section 132). (Current maximum limit - \$200/month for Parking Expenses OR \$105/month for Transit Passes/Commuter Highway Vehicle Expenses);
 - 5.4.4 Voluntary Benefits (to include personal injury, personal cancer/heart or critical injury, short term disability, and/or including long term care).
- 5.5 A sample contract shall accompany the proposal covering at least all items addressed under the specifications section including sample brochures, enrollment forms, reimbursement forms, along with a delineation of all aspects that the company would specifically require of the City of Lincoln/Lancaster County in accepting the company's proposal.
- 5.5.1 This information shall be bound and considered as the total document.
- 5.6 The selected administrator of the proposal shall provide a 90-day administration of claims into the calendar year following the contracted period to resolve end-of-year submittals.
- 5.6.1 A final report will need to be provided at the end of the 90-day period.
- 5.7 The Voluntary Benefits provider will be the main contact for all employees entering into this coverage, and for all claims, cancellations, payments, coordination with payroll, or other employee or employer questions regarding this program.

6 EXHIBITS

- 6.1. Census Data: A listing of all current City/County full-time employees (Exhibit 1).
- 6.1.1 Employees are considered full time as follows:
 - 6.1.1.1 City = 30 hours or more worked per week.
 - 6.1.1.2 County = 20 hours or more worked per week.
- 6.2 Demographic Report - City/County Health Coverage: Single, 2-4 Party, or Family. (Exhibit 2);
- 6.3. Enrollment of current City / County employees under present Flexible Benefit Plan (Exhibit 3).

7 SPECIFICATIONS

- 7.1 Please identify all costs per participant per month and/or alternate considerations required for the administration of an employee flexible benefit plan as set forth under Sections 125 and 132 of the Internal Revenue Code involving:
- 7.1.1 Medical Care Reimbursement Account;
 - 7.1.2 Dependent Care Reimbursement Account;
 - 7.1.3 City only Qualified Parking (Section 132);
 - 7.1.4 Voluntary Benefits (to include personal injury, personal cancer/heart or critical injury, short term disability, and/or including long term care).
- 7.2 Along with the employee flexible benefit plan and the consolidation of supplemental benefit programs, the successful bidder will be required to arrange and work with the City of Lincoln/Lancaster County at an annual open enrollment (to include group benefits, flexible spending, and updating records) in which employees will be requested to review their current benefits and make changes where necessary or desired.

- 7.3 Please identify methods, such as work site or computer usage in accomplishing such an open enrollment.
- 7.4 The open enrollment period has normally consisted of a period of approximately three weeks during August-September time frame for City employees, and approximately three weeks during October-November time frame for County employees.
- 7.5 Identify any additional cost for this annual enrollment not previously identified in your proposal.
- 7.6 The company will be required, in addition to the items referenced above, to:
 - 7.6.1 Develop a plan document for the employees flexible benefit plan and a City only qualified parking plan;
 - 7.6.2 Provide suitable personnel, procedures, forms and instructions for the initial and ongoing enrollment and review by interested employees;
 - 7.6.3 Provide all other necessary forms to provide appropriate service;
 - 7.6.4 Maintain such records and accounts used in accepted accounting procedures, as determined by the City of Lincoln/Lancaster County, to ensure a proper accounting for all contract expenses and/or payroll deductions.
 - 7.6.4.1 These records will be made available for audit purposes to authorized representatives and shall be retained for a period of five (5) years after termination of the contract;
 - 7.6.5 Maintain such records and accounts used in accepted accounting procedures as determined necessary by the City of Lincoln/Lancaster County to ensure a proper accounting for all compensation reduction and/or reimbursement of reported expenses for insurance premiums, medical expenses and/or dependent care.
 - 7.6.6 In addition, maintain such records and accounts used in accepted accounting procedures as determined necessary by the City of Lincoln/Lancaster County to ensure a proper accounting for all premiums handled by the Third Party Administrator for supplemental benefit programs as identified above;
 - 7.6.7 Upon receipt of an appropriate request/documentation, employees will have reimbursements sent or direct deposited to them within three (3) working days.
- 7.7 The City/County will perform the following tasks:
 - 7.7.1 Distribute to each current and new employee information about the employee plans;
 - 7.7.2 Make payroll deductions from each employee participating under the plans as authorized by said employee;
 - 7.7.3 Remit to the company compensation reduction authorized by the employee for future reimbursement of insurance premiums, medical expenses and/or dependent care;
 - 7.7.4 Remit to the company premiums authorized by the employee for supplemental benefits program.

8 **ANALYSIS OF PROPOSAL**

- 8.1 Proposals will be evaluated and considered based on at least the following areas:
 - 8.1.1 Experience of company with Section 125 and Section 132 plans
 - 8.1.2 Cost to the City/County
 - 8.1.3 Plan design
 - 8.1.4 Ability to address requested items within proposal
 - 8.1.5 Financial stability of the company

- 8.1.6 Administration of claims
- 8.1.7 Availability of account information to employee on a 24/7 basis
- 8.1.8 Quality of service provided to prior and current customers.
- 8.1.9 Availability of value added services such as enrollment or cost reductions

9 **QUESTIONS**

- 9.1 Provide a complete explanation of how the flexible benefit plan will be implemented. Describe the initial enrollment process fully.
 - 9.1.1 How will it be achieved? What will it consist of? Who will do the enrolling?
 - 9.1.2 What assistance will you be able to provide during the City/County open enrollments?
- 9.2 Will your organization offer supplemental insurance products to eligible employees during the enrollment process?
 - 9.2.1 What specific products do you intend to offer?
 - 9.2.2 Are these products eligible for pre-taxing under IRS Section 106?
 - 9.2.3 Are these products portable and at the same premiums?
 - 9.2.4 Are they voluntary?
 - 9.2.5 What are the participation requirements, if any?
 - 9.2.6 If such products were offered, would any or all of the administrative fees be reduced or eliminated for the FSA Program and/or open enrollment process?
- 9.3 Describe what information will be provided to employees to assist them in understanding and evaluating the flexible benefits program.
 - 9.3.1 Will websites be available in assisting employees to obtain additional information on the program?
- 9.4 Describe in detail the enrollment process for new employees.
 - 9.4.1 How is this supposed to be achieved and by whom?
- 9.5 Besides any costs identified in the City of Lincoln/Lancaster County RFP, are there any additional charges that would be incurred if the City/County selected your proposal?
 - 9.5.1 If so, identify each item and associated cost.
 - 9.5.1.1 Indicate whether the cost would be one time or periodic (if periodic, how often?).
- 9.6 What experience does your company have with flexible benefits plans?
- 9.7 How many plans have you implemented for employers?
- 9.8 What is the smallest group and the largest group that you have established?
- 9.9 How many of these accounts are you currently administering?
- 9.10 What governmental agencies do you administer plans for?
- 9.11 How will questions from the City/Co administrative staff and employees be handled?
- 9.12 Do you have a local office that will handle inquiries?
 - 9.12.1 If not, do you have a watts line that is accessible for the City's administrative staff and/or employees?
- 9.13 Is there a website available to the City's administrative staff and/or employees?
- 9.14 Describe your customer service arrangement in detail.
 - 9.14.1 What days and times will customer service be available?
- 9.15 In order to provide services at the level of fees or other consideration indicated in your proposal, will you require a minimum number of participants in the various plan?
 - 9.15.1 If so, how many?
- 9.16 What professional organizations do you belong to that you feel enhance your position as a provider of voluntary and flexible benefits programs?
- 9.17 How do you keep abreast of changes in tax laws affecting these programs?

- 9.18 How do you make your clients aware of changes which impact their plan?
- 9.19 What type of training must your counselors complete to participate in the enrollment process?
- 9.20 Do you make plan documents available to the employer?
 - 9.20.1 Could we put these on our web site?
- 9.21 Describe the computer system you use for providing administrative services.
- 9.22 What is your normal turn around time in providing reimbursements or paying claims?
- 9.23 For Employee Flexible Spending Benefit Plans and Qualified Parking Plans, do you make reimbursement directly to the participants' home addresses, direct deposit, if requested, or will the reimbursements be sent to the employer for distribution?
 - 9.23.1 What costs, if any, are involved?
- 9.24 What reports are sent to the employer and how often?
 - 9.24.1 What costs, if any, are involved?
- 9.25 What reports are sent to the employee and how often?
 - 9.25.1 What costs, if any, are involved?
- 9.26 For Employee Flexible Spending Benefit Plans and Qualified Parking Plans do you provide a report to the employee at or near the end of the calendar year concerning their remaining balance?
- 9.27 Will employees, under this program, be able to access their balance and payments made online?
 - 9.27.1 If so, would access be on a 24/7 basis?
 - 9.27.2 If not, what would be the time frame?
- 9.28 For the Employee Flexible Spending Plan, do you offer a debit card for reimbursing qualified expenses?
 - 9.28.1 If so, please explain how this works.
 - 9.28.2 What cost, if any, is involved?
- 9.29 Are you in compliance with all requirements under the Health Insurance Portability and Accountability Act (HIPAA) of 1996?
 - 9.29.1 Identify your method of procedures for protected health information (PHI) as a Business Associate in order to be in compliance with the HIPAA privacy rules.
- 9.30 The City/County both allow for the 2 ½ month carry over into the next calendar year.
 - 9.30.1 How does your company reconcile reimbursement in the current year, during the crossover period?
- 9.31 What value added services, if any, can you provide the City/County?

INSTRUCTIONS TO PROPOSERS
CITY OF LINCOLN/LANCASTER COUNTY & BUILDING COMMISSION, NEBRASKA
PURCHASING DIVISION

1. PROPOSAL PROCEDURE

- 1.1 Each RFP must be legibly printed in ink or typed, include full name, business address, telephone number, fax number and email address of the Proposer; and be signed in ink by the Proposer.
- 1.2 Response by a firm/organization other than a corporation must include the name and address of each member.
- 1.3 A response by a corporation must be signed in the name of such corporation by a duly authorized official thereof.
- 1.4 Any person signing a response for a firm, corporation, or other organization must show evidence of his authority so to bind such firm, corporation, or organization.
- 1.5 Proposals received after the time and date established for receiving offers will be rejected.

2. EQUAL OPPORTUNITY

- 2.1 Each proposer agrees that it shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, national origin, age, or marital status. In the employment of persons, proposer shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to race, color, religion, sex, disability, national origin, age, or marital status.

3. DATA PRIVACY

- 3.1 Proposer agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.
- 3.2 The proposer agrees to hold the City harmless from any claims resulting from the proposer's unlawful disclosure or use of private or confidential information.

4. PROPOSER'S REPRESENTATION

- 4.1 Each proposer by signing and submitting an offer, represents that he/she has read and understands the specification documents, and the offer has been made in accordance therewith.
- 4.2 Each offer for services further represents that the proposer is familiar with the local conditions under which the work and has correlated the observations with the requirements of the RFP.

5. SPECIFICATION CLARIFICATION

- 5.1 Proposers shall promptly notify the Purchasing Agent of any ambiguity, inconsistency or error which they may discover upon examination of specification documents.

- 5.2 Proposers desiring clarification or interpretation of the specification documents shall make a written request which must reach the Purchasing Agent at least seven (7) calendar days prior to date and time for response receipt, unless otherwise noted in RFP.
- 5.3 Interpretations, corrections and changes made to the specification documents will be made by written addenda.
- 5.4 Oral interpretations/changes to Specification Documents made in any other manner, will not be binding on the City; proposers shall not rely upon oral interpretations.

6. ADDENDA

- 6.1 Addenda are written documents issued by the City prior to the date for receipt of offers which modify or interpret the specification document by addition, deletion, clarification or correction.
- 6.2 Addenda will be mailed or delivered to all who are known by the City to have received a complete set of specification documents.
- 6.3 Copies of addenda will be made available for inspection at the office of the Purchasing Agent.
- 6.4 No addendum will be issued later than forty-eight (48) hours prior to the date and time for receipt of offers, except an addendum withdrawing the RFP, or addendum including postponement.
- 6.5 Proposers shall ascertain prior to submitting their offer that they have received all addenda issued, and they shall acknowledge receipt of addenda in their proposal.

7. ANTI-LOBBYING PROVISION

- 7.1 During the period between the proposal advertisement date and the contract award, proposers, including their agents and representatives, shall not lobby or promote their proposal with any member of the City Council or City Staff.

8. EVALUATION AND AWARD

- 8.1 The signed proposal shall be considered an offer on the part of the proposer. Such offer shall be deemed accepted upon issuance by the City of purchase orders, contract award notifications, or other contract documents appropriate to the work.
- 8.2 No offer shall be withdrawn for a period of ninety (90) calendar days after the time and date established for receiving offers, and each proposer agrees in submitting an offer.
- 8.3 In case of a discrepancy between the unit prices and their extensions, the unit prices shall govern.
- 8.4 The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor; also the City has the flexibility to negotiate with a select firm or selected firms to arrive at a mutually agreeable relationship.
- 8.5 A committee will be assigned the task of reviewing the proposals received.

8.5.1 The committee may request documentation from Proposer(s) of any information provided in their proposal response, or require the Proposer to clarify or expand qualification statements.

8.5.2 The committee may also require a site visit and/or verbal interview with a Proposer or select group of Proposers to clarify and expand upon the proposal response.

8.6 The offer will be awarded to the lowest responsive, responsible proposer whose proposal will be most advantageous to the City, and as the City deem will best serve their requirements.

8.7 The City reserves the right to accept or reject any or all offers, parts of offers; request new proposals, waive irregularities and technicalities in offers; or to award the RFP on a split-order basis, or lump-sum basis; such as shall best serve the requirements and interests of the City.

9. INDEMNIFICATION

9.1 The proposer shall indemnify and save harmless the City of Lincoln, Nebraska from and against all losses, claims, damages, and expenses, including, attorney's fees arising out of or resulting from the performance of the contract that results in bodily injury, sickness, disease, death, or to injury to or destruction of tangible property, including the loss of use resulting therefrom and is caused in whole or in part by the proposer, any subcontractor, any directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. This section will not require the proposer to indemnify or hold harmless the City of Lincoln for any losses, claims damages, and expenses arising out of or resulting from the sole negligence of the City of Lincoln, Nebraska.

9.2 In any and all claims against the City or any of its members, officers or employees by an employee of the proposer, any subcontractor, anyone directly or indirectly employed by any of them or by anyone for whose acts made by any of them may be liable, the indemnification obligation under paragraph 9.1 shall not be limited in any way by any limitation of the amount or type of damages, compensation or benefits payable by or for the bidder or any subcontractor under worker's or workmen's compensation acts, disability benefit acts or other employee benefit acts.

10. LAWS

10.1 The Laws of the State of Nebraska shall govern the rights, obligations, and remedies of the Parties under this proposal and any agreement reached as a result of this process.

10.2 Proposer agrees to abide by all applicable State and Federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals and corporations as to inventions, copyrights, patents and patent rights.

11. AWARD

11.1 The RFP process is designed to be a competitive negotiation platform, where price is not required to be the sole determinative factor; also the City has the flexibility to negotiate with a selected firm or firms to arrive at a mutually agreeable relationship.

11.2 The City shall be the sole judge as to merits of the proposal, and the City's decision will be final.

11.3 A committee will be assigned by the Mayor with the task of reviewing the proposals received.

11.3.1 The committee may request documentation from

Proposer(s) of any information provided in their proposal response, or require the proposer to clarify or expand qualification statements.

11.3.2 A short list of firms from proposals submitted may be selected for a presentation to the committee and ranked by committee members.

11.4 Final approval to enter into contract negotiations with the top ranked firm will be by the Mayor of the City of Lincoln.

11.5 The City shall not be liable for any expense incurred in connection with preparation of a response to this RFP.

11.6 The contract document shall incorporate by reference all requirements, terms and conditions of the solicitation, proposal received and all negotiated details.

12. LIVING WAGE

12.1 The bidders agree to pay all employees employed in the performance of this contract, a base wage of not less than the City Living Wage per Section 2.81 of the Lincoln Municipal Code. This wage is subject to change every July.

Whereas stated City or City of Lincoln, also refers to Building Commission and Lancaster County.